

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

For Further Information, Contact: Assistant U.S. Attorney Melanie K. Pierson (619) 557-5685

For Immediate Release

NEWS RELEASE SUMMARY - January 28, 2005

United States Attorney Carol C. Lam announced today that three of the principals of an Internet pharmacy business known as “MyRxForLess” pled guilty in federal district court in San Diego before United States District Judge Jeffrey T. Miller to federal charges related to their roles in an Internet pharmacy scheme.

Charles William Naron pled guilty to conspiracy, conspiracy to launder money and to criminal forfeiture. In his plea, Naron admitted that beginning in December 2002, and continuing up to the time of his arrest on November 5, 2004, he, together with Stephen Lewis and Pamela Lewis, operated an Internet pharmacy business, known as MyRxForLess, located in Lake Worth, Florida. Naron acknowledged that MyRxForLess had a website by which customers could order prescription drugs without having a prior prescription. The website falsely stated that all the drugs were obtained from a reputable Mexican pharmacy, and falsely indicated that individuals could lawfully import a 90-day supply of prescription pharmaceuticals into the United States from Mexico.

Naron also admitted that he and his co-conspirators arranged to have Reynaldo Ortiz and others purchase pharmaceuticals in Mexico and ship them to the customers of MyRxForLess through the mails. Naron further admitted that he purchased monthly shipments of “generic” Viagra and “generic” Cialis from Mark Kolowich, in San Diego, California, knowing that these pharmaceuticals were not made by the manufacturers which own the trademarks and tradenames for Viagra and Cialis. Instead, these “generic” drugs were manufactured for Kolowich by persons in India and Mexico. The monthly shipments of “generic” Viagra and Cialis were sent from San Diego by private commercial interstate carrier to Naron in Florida and an individual in Arizona, after which they were distributed to customers of MyRxForLess. Kolowich, the owner of World Express Rx, previously pled guilty to conspiring to sell counterfeit pharmaceuticals, commit mail fraud, and smuggle pharmaceuticals, and to conspiracy to launder money.

The pharmaceuticals sold by MyRxForLess included tablets and capsules containing the active ingredients for Viagra, Propecia, Celebrex, Cialis, Zolof and Xenical, which were marked by MyRxForLess as “generic” versions of those drugs. Naron admitted he knew that while the MyRxForLess website used the trade names “Viagra,” “Cialis” and “Propecia,” the pharmaceuticals he sold under those names were not manufactured by the U.S. drug manufacturers that owned those trade names. Naron acknowledged that he knew that these “generic” pharmaceuticals could not be lawfully imported or sold in the United States because they were not approved for sale in the United States by the Food and Drug Administration, they were labeled in the Spanish language, and because neither the defendant, or MyRxForLess, or any of its officers or employees possessed a license to import or to make wholesale purchases or sales of prescription pharmaceuticals.

Naron admitted that he directed Reynaldo Ortiz and others in Mexico to package the “generic” pharmaceuticals in small envelopes and send them to customers by mail, according to the order forms from customers which were retrieved from the website for MyRxForLess. The value of the illegal pharmaceuticals sold by MyRxForLess for the period from December 2002, to November 5, 2004, was between \$1 million and \$2.5 million.

The proceeds of the credit card sales of the pharmaceuticals through the website of MyRxForLess were deposited in the account of World Express Processing in San Diego, California. Pursuant to an agreement with World Express Processing, Naron directed that, after the proceeds of the credit card sales were deposited in the account of World Express Processing and the processing fee was deducted, the remaining funds be wire transferred from San Diego, California, to Naron's account in Florida on a weekly basis. The funds deposited in Naron's account in Florida were used to further the operations of MyRxForLess, such as purchasing additional pharmaceuticals and paying for the answering service and the website.

Naron further admitted that he used the proceeds of the sale of pharmaceuticals from MyRxForLess to write approximately 11 checks, totaling approximately \$52,800, to Chris Reed in San Diego as payment for the "generic" Viagra and Cialis he purchased from Kolowich during the period from March 2003 through March 2004.

Pursuant to the terms of his plea agreement, Naron agreed to forfeit to the government his interest in two pieces of real property in Florida and four bank accounts, admitting that those interests were obtained with the unlawful proceeds of the Internet pharmacy scheme.

Stephen Lewis and his wife, Pamela Lewis, of Boyton Beach, Florida, also entered pleas of guilty today, acknowledging their roles in MyRxForLess. Stephen Lewis pled guilty to conspiracy, conspiracy to launder money, and to criminal forfeiture, while Pamela Lewis pled guilty to conspiracy and to criminal forfeiture. Both Stephen and Pamela Lewis agreed to forfeit their home in Boyton Beach, as well as their interest in three bank accounts, as a part of their plea agreements.

Stephen and Pamela Lewis are scheduled to be sentenced by U.S. District Judge Jeffrey T. Miller on May 16, 2005, at 9:00 a.m. Charles William Naron is scheduled to be sentenced by Judge Miller on April 18, 2005, at 9:00 a.m..

DEFENDANTS

Charles William Naron
Lake Worth, Florida

Criminal Case No. 04-CR-2987-JM

Stephen Phillip Lewis
Boynton Beach, Florida

Criminal Case No. 04-CR-3068-JM

Pamela June Lewis
Boynton Beach, Florida

Criminal Case No. 04-CR-3067-JM

SUMMARY OF CHARGES

Conspiracy, in violation of Title 18, United States Code, Section 371 (all defendants)
Maximum Penalty: 5 years in custody and/or \$250,000 fine

Conspiracy to Launder Money, in violation of Title 18, United States Code, Section 1956(h)
(As to defendants: Charles William Naron and Stephen Phillip Lewis)
Maximum Penalty: 20 years in custody and/or \$500,000 fine

Criminal Forfeiture, in violation of Title 18, United States Code, Sections 981 or 982 (all defendants)

AGENCIES

Federal Bureau of Investigation
Food and Drug Administration - Office of Criminal Investigations
Internal Revenue Service - Criminal Investigations Division
Immigration and Customs Enforcement - Department of Homeland Security
U.S. Postal Inspection Service
Chula Vista Police Department